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Attorneys for Chapter 11 Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA DIVISION**

In re:

TRX HOLDCO, LLC, a Delaware limited  
liability company,

Debtor and Debtor in Possession.

In re:

FITNESS ANYWHERE LLC, a Delaware  
limited liability company, dba TRX and TRX  
Training,

Debtor and Debtor in Possession.

☒ Affects both Debtors

☐ Affects TRX Holdco, LLC only

☐ Affects Fitness Anywhere, LLC only

Lead Case No.: 8:22-bk-10948-SC

Jointly administered with: 8:22-bk-10949-SC  
Chapter 11 Cases

**DECLARATION OF BRENT LEFFEL  
IN RESPONSE TO FEE  
APPLICATIONS FILED BY  
PROFESSIONALS EMPLOYED BY  
THE DEBTORS**

DATE: September 28, 2022

TIME: 11:00 a.m.

PLACE: \*Via ZoomGov

Courtroom 5C

411 West Fourth Street

Santa Ana, CA 92701

1 I, Brent Leffel, hereby declare under penalty of perjury as follows:

2 1. I am the Chairman of the Board of Managers of TRX Holdco, LLC ("Hold Co")  
3 and the Chairman of the Board of Managers of Fitness Anywhere LLC, dba TRX and TRX  
4 Training ("Product Co" and together with Hold Co and Product Co, the "Debtors"), the debtors  
5 and debtors-in-possession in the above-captioned Chapter 11 bankruptcy cases. I am also the co-  
6 manager of Equity 38, LLC which is the manager of Equity 38 Investment Platform I, LLC.  
7 Equity 38 Investment Platform I, LLC is the manager of E38-TRX, LLC and E38-TRX Holdco  
8 Investments, LLC which collectively own and control Hold Co.

9 2. Hold Co holds a preferential and controlling interest in Product Co. Hold Co also  
10 wholly owns TRXperience, LLC ("Experience Co"). Experience Co has not filed a bankruptcy  
11 case. Product Co wholly owns Fitness Anywhere International LLC (100% by Product Co) and  
12 Fitness Anywhere Europe Cooperatief U.A. Netherlands (99% by Product Co and 1% by Fitness  
13 Anywhere International LLC), none of which have filed a bankruptcy case.

14 3. I served as the Co-Chairman of Product Co from approximately December 2018  
15 through October 2020, after which I became the sole Chairman of Product Co. I have been the  
16 Chairman of Hold Co since Hold Co's formation in approximately March 2020. I also served as  
17 Chief Executive Officer from approximately April 2021 through the end of January 2022.

18 4. In my capacity as Chairman, I am involved with policy and strategic decisions on  
19 behalf of the Debtors. The Chief Executive Officer of the Debtors reports to me and he  
20 implements the directives and policies of the Debtors as established by the Debtors' respective  
21 Board of Managers (which I chair). I have personal knowledge of the facts set forth in this  
22 Declaration and if called as a witness, could and would testify competently with respect thereof.

23 5. I make this Declaration in response to the fee applications that were filed by the  
24 professionals employed by the Debtors.

25 6. Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("LNBYG") was employed as  
26 bankruptcy counsel to the Debtors. Duane Morris LLP ("DM") was employed as special IP  
27 counsel to the Debtors. Kroll, LLC ("Kroll") was employed as a financial advisor to the  
28 Debtors.

1 7. I have reviewed the fee applications filed by LNBYG, DM and Kroll.

2 8. LNBYG is seeking Court approval of \$516,672 of fees and \$41,979.46 of  
3 expenses in the Product Co case and \$9,523 of fees and \$934.03 of expenses in the Hold Co case  
4 incurred during the period of June 8, 2022 through August 31, 2022.

5 9. DM is seeking Court approval of \$69,926 of fees incurred during the period of  
6 June 8, 2022 through August 24, 2022.

7 10. Kroll is seeking Court approval of \$908,870 of fees incurred during the period of  
8 June 8, 2022 through August 231, 2022.

9 11. I understand that pursuant to the *Stipulation Regarding (1) Professional Fee And*  
10 *Creditor Carve Outs And (2) Lien Validations, Releases And Surcharge Waivers* (the “Carve Out  
11 Stipulation”) (Doc 195) approved by order of this Court entered on August 8, 2022 (Doc 253): a  
12 base carve out amount of \$400,000 was established to fund the fees and expenses of LNBYG,  
13 Kroll and Michael Zuercher/Law Office of Michael A. Zuercher, Inc. (“Zuercher”), with such  
14 professionals to be authorized to be paid their respective portion of this \$400,000 only after such  
15 professionals have had their fees and expenses approved by the Court following notice and a  
16 hearing. This base carve out amount of \$400,000 would have incrementally increased to the  
17 extent the ultimate sale price paid for the Debtors’ assets exceeded \$10 million. Unfortunately,  
18 to all of our extreme disappointment, the cash portion of the sale price only ended up being \$8.4  
19 million as has been reported to the Court (although the buyer took the assets subject to  
20 approximately \$1.7 million of secured debt making the effective sale price approximately \$10.1  
21 million).

22 12. I also understand that pursuant to the Carve Out Stipulation, a fixed carve out  
23 amount of \$65,000 was established to fund the fees of DM.

24 13. I have been advised that LNBYG and Kroll have agreed, subject to the approval  
25 of the Court, to split the \$400,000 base carve amount equally (i.e., \$200,000 to LNBYG and  
26 \$200,000 to Kroll) despite the fees being requested by Kroll being substantially higher than the  
27 fees/expenses being requested by LNBYG. That is both acceptable to me and something that I  
28 would have urged the Court to do had Kroll not agreed to this. I understand that Zuercher has

1 agreed not to seek any further payment from the Debtors beyond what he was paid in accordance  
2 with his insider compensation request and the various cash collateral orders that were approved  
3 by the Court.

4 14. I have been provided with a copy of the objection that the United States Trustee  
5 filed to the Kroll fee application, and I have been provided with a copy of a stipulation that I  
6 understand the United States Trustee and Kroll have entered into pursuant to which Kroll has  
7 agreed to a voluntary reduction of its fees to a total of \$600,000. I fully support that resolution.

8 15. I believe the fees and expenses incurred by LNBYG were reasonable and  
9 appropriate and I support their approval by the Court.

10 16. I believe that the fees requested by DM are reasonable and appropriate and I  
11 support their approval by the Court.

12 I declare under penalty of perjury under the laws of the United States of America that the  
13 foregoing is true and correct. Executed this 15th day of September, 2022, at Newport Beach,  
14 California.

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17 BRENT LEFFEL  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
2818 La Cienega Avenue, Los Angeles, CA 90034

A true and correct copy of the foregoing document entitled (*specify*): **DECLARATION OF BRENT LEFFEL IN RESPONSE TO FEE APPLICATIONS FILED BY PROFESSIONALS EMPLOYED BY THE DEBTORS** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) **September 15, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Ron Bender rb@lnbyb.com
- Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
- Dana M Douglas dmddouglas@hotmail.com, douglas.danar115703@notify.bestcase.com
- Andrew Goodman agoodman@andyglaw.com, Goodman.AndrewR102467@notify.bestcase.com
- Michael I. Gottfried mgottfried@elkinskalt.com, cavila@elkinskalt.com, myuen@elkinskalt.com, docketing@elkinskalt.com
- Jonathan Gottlieb jdgt@lnbyg.com
- Michael J Hauser michael.hauser@usdoj.gov
- Marsha A Houston mhouston@reedsmith.com, hvalencia@reedsmith.com
- Ori Katz okatz@sheppardmullin.com, lsegura@sheppardmullin.com
- William McCormick Bill.McCormick@ag.tn.gov
- Krikor J Meshefejian kjm@lnbyg.com
- Ali M Mojdehi amojdehi@btlaw.com, jgertz@btlaw.com; arego@btlaw.com; amattngly@btlaw.com
- Jennifer L Nassiri JNassiri@sheppardmullin.com, bdelacruz@sheppardmullin.com
- Aron M Oliner roliner@duanemorris.com
- Paul J Pascuzzi ppascuzzi@ffwplaw.com, docket@ffwplaw.com
- Christopher O Rivas crivas@reedsmith.com, chris-rivas-8658@ecf.pacerpro.com
- Lindsey L Smith lls@lnbyg.com, lls@ecf.inforuptcy.com
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:** On (date) **September 15, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **September 15, 2022**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 15, 2022

Date

Lourdes Cruz

Printed Name

/s/ Lourdes Cruz

Signature